



SECRETARY OF STATE  
**KEVIN SHELLEY**  
STATE OF CALIFORNIA

**NOTICE OF LEGISLATIVE CHANGE**  
**Corporate Disclosure – Publicly Traded Corporations**  
**(Assembly Bill 1000)**

Assembly Bill 1000, chaptered and effective September 27, 2004 as an urgency statute, amends California Corporations Code sections [1502](#) and [2117](#) and adds California Corporations Code sections [1502.1](#) and [2117.1](#), changing the filing requirements for publicly traded corporations.

Prior to September 27, 2004, all publicly traded corporations were required to disclose additional information when filing their initial or annual Statement of Information. Assembly Bill 1000 requires all publicly traded corporations to disclose this additional information by filing a separate Corporate Disclosure Statement rather than including the information as part of the Statement of Information.

The Corporate Disclosure Statement must be filed annually, within 150 days after the end of the corporation's fiscal year. There is no fee for filing the Corporate Disclosure Statement.

Assembly Bill 1000 also makes several changes to information required to be included in the Corporate Disclosure Statement. Please see the reverse side of this notice for additional information. You may also refer to the bill, a copy of which can be accessed from the California Legislative Counsel's website at <http://www.leginfo.ca.gov/bilinfo.html>.

For easier completion, the Corporate Disclosure Statement is available on the Secretary of State's website at <http://www.ss.ca.gov/business> and can be viewed, filled in and printed from your computer. The completed form can be mailed to Secretary of State, Statement of Information Unit, P.O. Box 944230, Sacramento, CA 94244-2300 or delivered in person to the Sacramento office, 1500 11th Street, 3rd Floor, Sacramento, CA 95814. If you are not completing this form online, please type or legibly print in black or blue ink.

In addition to the Corporate Disclosure Statement, all publicly traded corporations must also file, during their applicable filing period, a Statement of Information as required by Corporations Code section [1502](#) or [2117](#). For faster processing, the required Statement of Information can be filed online at <https://businessfilings.ss.ca.gov>.

*(Please see reverse)*

Assembly Bill 1000 amends California Corporations Code sections 1502 and 2117 and adds California Corporations Code sections 1502.1 and 2117.1. The primary changes are as follows:

- Requires the Corporate Disclosure Statement for publicly traded corporations to be filed separately from the Statement of Information and within 150 days after the end of the corporation's fiscal year.
- Removes the requirement to include the date of the last report prepared for the corporation by the independent auditor and the requirement to attach a copy of the most recent independent auditor's report.
- Clarifies the terms *publicly traded corporation*, *executive officer*, *compensation* and *loan*.
- Requires the name of the independent auditor that prepared the most recent auditor's report **and**, if different, the name of the independent auditor employed by the corporation on the date of the statement.
- Changes the time period for reporting the description of other services performed by the independent auditor to the two most recent fiscal years and the period between the end of its most recent fiscal year and the date of the statement.
- Requires the compensation paid to the chief executive officer if the chief executive officer is not among the five most highly compensated executive officers of the corporation.
- Requires a description of any loan to directors made at an interest rate lower than the interest rate available from unaffiliated commercial lenders generally to a similarly-situated borrower rather than loans at a preferential rate. Loans must be reported for the two most recent fiscal years rather than the previous 24 months.
- Requires a statement indicating whether an order for relief has been entered in a bankruptcy case rather than a statement indicating whether any bankruptcy was filed. Clarifies that the time period for reporting this information is 10 years preceding the date of the statement.
- Requires a statement indicating whether any member of the board of directors or executive officer of the corporation has been convicted of fraud within the previous 10 years only if the conviction has not been overturned or expunged. Clarifies that the time period for reporting this information is 10 years preceding the date of the statement.
- Requires a description of any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the corporation or any of its subsidiaries is a party or of which any of their property is the subject, as specified by Item 103, Part 229 of Regulation S-K of the Securities Exchange Commission (17 C.F.R. Sec. 229.103).
- Requires a description of any material legal proceeding during which the corporation was found legally liable by entry of a final judgment or final order that was not overturned on appeal during five years preceding the date of the statement.

A publicly traded corporation is a California or foreign corporation, as defined in Corporations Code section 162 or 171, respectively, that is an issuer as defined in Section 3 of the Securities Exchange Act of 1934, as amended (15 U.S.C. Sec. 78c), and has at least one class of securities listed or admitted for trading on a national securities exchange, on the National or Small-Cap Markets of the NASDAQ Stock Market, on the OTC-Bulletin Board, or on the electronic service operated by Pink Sheets, LLC.